

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-20459A
Utility Systems, LLC
HC2 Box 164-H
Payson, AZ 85541

RECEIVED
JUN 10 2009
AZ CORP COM
UTILITIES DIVISION

ANNUAL REPORT
WATER

FOR YEAR ENDING

12	31	2008
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FOR COMMISSION USE

ANN 04	08
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PROCESSED BY:

9-4-09

SCANNED

COMPANY INFORMATION

Company Name (Business Name) Utility Systems, LLC.

Mailing Address HC2 Box 164-H

(Street)

Payson

(City)

Arizona

(State)

85541

(Zip)

(928) 478-0010

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address Service@ArizonaRim.com

Local Office Mailing Address: HC2 Box 164-H

(Street)

Payson

(City)

Arizona

(State)

85541

(Zip)

(928) 478-0010

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address Service@ArizonaRim.com

MANAGEMENT INFORMATION

Management Contact: Jeff Daniels Manager/Member
(Name) (Title)

HC2 Box 164-H

(Street)

Payson

(City)

Arizona

(State)

85541

(Zip)

(928) 478-0010

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

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Email Address Service@ArizonaRim.com

On Site Manager: Jeff Daniels

(Name)

HC2 Box 164-H

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Payson

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(Zip)

(928) 478-0010

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address Service@ArizonaRim.com

Statutory Agent: Jeff Daniels

(Name)

HC2 Box 164-H

(Street)

Payson

(City)

Arizona

(State)

85541

(Zip)

(928) 478-0010

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: _____

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ **Sole Proprietor (S)**

☐ **C Corporation (C) (Other than Association/Co-op)**

☐ **Partnership (P)**

☐ **Subchapter S Corporation (Z)**

☐ **Bankruptcy (B)**

☐ **Association/Co-op (A)**

☐ **Receivership (R)**

☒ **Limited Liability Company**

☐ **Other (Describe)** _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ **APACHE**

☐ **COCHISE**

☐ **COCONINO**

☒ **GILA**

☐ **GRAHAM**

☐ **GREENLEE**

☐ **LA PAZ**

☐ **MARICOPA**

☐ **MOHAVE**

☐ **NAVAJO**

☐ **PIMA**

☐ **PINAL**

☐ **SANTA CRUZ**

☐ **YAVAPAI**

☐ **YUMA**

☐ **STATEWIDE**

COMPANY NAME: Utility Systems, LLC.

UTILITY PLANT IN SERVICE
(MODIFIED TO FOLLOW NARUC)

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	\$1,539.83	-\$0.00	\$1,539.83
302	Franchises	\$0.00	-\$0.00	\$0.00
303	Land and Land Rights	\$11,685.00	-\$0.00	\$11,685.00
304	Structures and Improvements	\$11,458.51	-\$953.93	\$10,504.58
305	Collecting & Impounding Reservoirs	\$0.00	-\$0.00	\$0.00
306	Lake, River and Other Intakes	\$0.00	-\$0.00	\$0.00
307	Wells and Springs	\$36,950.00	-\$3,076.07	\$33,873.93
309	Supply Mains	\$17,678.00	-\$883.90	\$16,794.10
310	Power Generation Equipment	\$450.00	-\$56.25	\$393.75
311	Pumping Equipment	\$16,374.21	-\$5,116.95	\$11,257.26
320	Water Treatment Equipment	\$0.00	-\$0.00	\$0.00
320.1	Water Treatment Plants	\$3,000.00	-\$249.75	\$2,750.25
320.2	Solution Chemical Feeders	\$3,085.00	-\$1,542.50	\$1,542.50
330	Distribution Reservoirs and Standpipes	\$0.00	-\$0.00	\$0.00
330.1	Storage Tanks	\$34,243.00	-\$1,900.40	\$32,342.60
330.2	Pressure Tanks	\$35,527.25	-\$4,440.90	\$31,086.35
331	Transmission and Distribution Mains	\$42,548.00	-\$2,127.40	\$40,420.60
333	Services	\$15,980.00	-\$1,330.33	\$14,649.67
334	Meters	\$25,503.00	-\$5,310.98	\$20,192.02
335	Hydrants	\$0.00	-\$0.00	\$0.00
336	Backflow Prevention Devices	\$0.00	-\$0.00	\$0.00
339	Other Plant and Misc. Equipment	\$0.00	-\$0.00	\$0.00
340	Office Furniture and Equipment	\$325.00	-\$54.19	\$270.81
340.1	Computers & Software	\$1,500.00	-\$750.00	\$750.00
341	Transportation Equipment	\$42,029.54	-\$21014.77	\$21,014.77
342	Stores Equipment	\$0.00	-\$0.00	\$0.00
343	Tools, Shop and Garage Equipment	\$2,882.63	-\$360.33	\$2,522.30
344	Laboratory Equipment	\$0.00	-\$0.00	\$0.00
345	Power Operated Equipment	\$25,700.00	-\$3,212.50	\$22,487.50
346	Communication Equipment	\$0.00	-\$0.00	\$0.00
347	Miscellaneous Equipment	\$0.00	-\$0.00	\$0.00
348	Other Tangible Plant	\$0.00	-\$0.00	\$0.00
	TOTALS	\$328,458.97	(\$52,381.15)	\$276,077.82

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME: Utility Systems, LLC.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR
(MODIFIED TO FOLLOW NARUC)

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	\$1,539.83	0%	\$0.00
302	Franchises	\$0.00	0%	\$0.00
303	Land and Land Rights	\$11,685.00	0%	\$0.00
304	Structures and Improvements	\$11,458.51	3.33%	\$381.57
305	Collecting & Impounding Reservoirs	\$0.00	2.50%	\$0.00
306	Lake, River and Other Intakes	\$0.00	2.50%	\$0.00
307	Wells and Springs	\$36,950.00	3.33%	\$1,230.43
309	Supply Mains	\$17,678.00	2.00%	\$353.56
310	Power Generation Equipment	\$450.00	5.00%	\$22.50
311	Pumping Equipment	\$16,374.21	12.50%	\$2,046.78
320	Water Treatment Equipment	\$0.00		\$0.00
320.1	Water Treatment Plants	\$3,000.00	3.33%	\$99.90
320.2	Solution Chemical Feeders	\$3,085.00	20.00%	\$617.00
330	Distribution Reservoirs and Standpipes	\$0.00		\$0.00
330.1	Storage Tanks	\$34,243.00	2.22%	\$760.19
330.2	Pressure Tanks	\$35,527.25	5.00%	\$1,776.36
331	Transmission and Distribution Mains	\$42,548.00	2.00%	\$850.96
333	Services	\$15,980.00	3.33%	\$532.13
334	Meters	\$25,503.00	8.33%	\$2,124.40
335	Hydrants	\$0.00	2.00%	\$0.00
336	Backflow Prevention Devices	\$0.00	6.67%	\$0.00
339	Other Plant and Misc. Equipment	\$0.00	6.67%	\$0.00
340	Office Furniture and Equipment	\$325.00	6.67%	\$21.68
340.1	Computers & Software	\$1,500.00	20.00%	\$300.00
341	Transportation Equipment	\$42,029.54	20.00%	\$8,405.91
342	Stores Equipment	\$0.00	4.00%	\$0.00
343	Tools, Shop and Garage Equipment	\$2,882.63	5.00%	\$144.13
344	Laboratory Equipment	\$0.00	10.00%	\$0.00
345	Power Operated Equipment	\$25,700.00	5.00%	\$1,285.00
346	Communication Equipment	\$0.00	5.00%	\$0.00
347	Miscellaneous Equipment	\$0.00	10.00%	\$0.00
348	Other Tangible Plant	\$0.00	0	\$0.00
	TOTALS	\$328,458.97		\$20,952.50

This amount goes on the Comparative Statement of Income and Expense
 Acct. No. 403.

BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$1,208.35	\$2,329.59
134	Working Funds	\$0.00	\$0.00
135	Temporary Cash Investments	\$0.00	\$0.00
141	Customer Accounts Receivable	\$0.00	\$6,113.73
146	Notes/Receivables from Associated Companies	\$0.00	\$0.00
151	Plant Material and Supplies	\$0.00	\$0.00
162	Prepayments	\$0.00	\$0.00
174	Miscellaneous Current and Accrued Assets	\$0.00	-\$93.00
	TOTAL CURRENT AND ACCRUED ASSETS	\$1,208.35	\$8,350.32
	FIXED ASSETS		
101	Utility Plant in Service	\$328,458.97	\$328,458.97
103	Property Held for Future Use	\$0.00	\$0.00
105	Construction Work in Progress	\$0.00	\$0.00
108	Accumulated Depreciation – Utility Plant	-\$31,427.70	-\$52,381.15
121	Non-Utility Property	\$0.00	\$0.00
122	Accumulated Depreciation – Non Utility	\$0.00	\$0.00
	TOTAL FIXED ASSETS	\$297,031.27	\$276,077.82
	TOTAL ASSETS	\$298,239.62	\$284,428.14

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$0.00	\$4,738.71
232	Notes Payable (Current Portion)	\$0.00	\$0.00
234	Notes/Accounts Payable to Associated Companies	\$0.00	\$0.00
235	Customer Deposits	\$0.00	\$0.00
236	Accrued Taxes	\$0.00	\$393.60
237	Accrued Interest	\$0.00	\$0.00
241	Miscellaneous Current and Accrued Liabilities	\$0.00	-\$3.13
	TOTAL CURRENT LIABILITIES	\$0.00	\$5,129.18
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$236,507.86	\$218,080.53
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$0.00	\$0.00
252	Advances in Aid of Construction	\$0.00	\$0.00
255	Accumulated Deferred Investment Tax Credits	\$0.00	\$0.00
271	Contributions in Aid of Construction	\$0.00	\$0.00
272	Less: Amortization of Contributions	\$0.00	\$0.00
281	Accumulated Deferred Income Tax	\$0.00	\$0.00
	TOTAL DEFERRED CREDITS	\$0.00	\$0.00
	TOTAL LIABILITIES	\$236,507.86	\$223,209.71
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$0.00	\$0.00
211	Paid in Capital in Excess of Par Value	\$0.00	\$0.00
215	Retained Earnings	\$0.00	-\$31,941.03
218	Proprietary Capital (Sole Props and Partnerships)	\$61,731.76	\$93,159.46
	TOTAL CAPITAL	\$61,731.76	\$61,218.43
	TOTAL LIABILITIES AND CAPITAL	\$298,239.62	\$284,428.14

COMPANY NAME: Utility Systems, LLC.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$89,936.70	\$80,411.55
460	Unmetered Water Revenue	\$0.00	\$0.00
474	Other Water Revenues	\$2,131.00	\$2,589.88
	TOTAL REVENUES	\$92,067.70	\$83,001.43
	OPERATING EXPENSES		
601	Salaries and Wages	\$12,355.44	\$23,025.27
610	Purchased Water	\$0.00	\$0.00
615	Purchased Power	\$5,011.33	\$5,445.34
618	Chemicals	\$145.75	\$450.86
620	Repairs and Maintenance	\$6,292.75	\$4,840.76
621	Office Supplies and Expense	\$1,060.24	\$2,094.58
630	Outside Services	\$2,876.72	\$1,227.05
635	Water Testing	\$1,800.00	\$2,339.05
641	Rents	\$0.00	\$0.00
650	Transportation Expenses	\$3,897.14	\$5,049.04
657	Insurance -- General Liability	\$1,374.00	\$0.00
659	Insurance - Health and Life	\$0.00	\$0.00
666	Regulatory Commission Expense -- Rate Case	\$0.00	\$0.00
675	Miscellaneous Expense	\$844.13	\$198.60
403	Depreciation Expense	\$20,952.47	\$20,952.50
408	Taxes Other Than Income	\$5,615.88	\$0.00
408.11	Property Taxes	\$4,770.02	\$4,549.64
409	Income Tax	\$0.00	\$0.00
	TOTAL OPERATING EXPENSES	\$66,995.87	\$70,172.69
	OPERATING INCOME/(LOSS)	\$25,071.83	\$12,828.74
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$.90	\$15.35
421	Non-Utility Income	\$0.00	\$0.00
426	Miscellaneous Non-Utility Expenses	\$0.00	\$0.00
427	Interest Expense	\$-21,488.56	\$-17,079.83
	TOTAL OTHER INCOME/(EXPENSE)	\$-21,487.66	\$-17,064.48
	NET INCOME/(LOSS)	\$3,584.17	\$-4235.74

COMPANY NAME: Utility Systems, LLC.

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	8-18-06	8-18-06	8-18-06	5-5-07
Source of Loan	Powell	Lendzion	Lendzion	AmeriCredit
ACC Decision No.	69421	69421	69582	
Reason for Loan	Company Aquisition	Company Aquisition	Company Aquisition	Company Transportation
Dollar Amount Issued	\$78,479.74	\$76,500.00	\$65,000.00	\$37,029.54
Amount Outstanding	\$61,757.33	\$68,898.06	\$58,539.32	\$28,885.92
Date of Maturity	6-1-2015	8-18-21	8-18-21	4-5-2013
Interest Rate	7 %	7 %	7 %	10.5 %
Current Year Interest	\$4,601.33	\$4,949.39	\$4,203.96	\$3,325.15
Current Year Principle	\$7,263.19	\$3,301.81	\$2,806.92	\$5,055.41

Meter Deposit Balance at Test Year End \$ 0 _____

Meter Deposits Refunded During the Test Year \$ 0 _____

COMPANY NAME: Utility Systems, LLC.

Name of System: Christopher Creek Haven

ADEQ Public Water System Number: 04-005

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-800363	1.5	20	60	6	1	1958
55-800362	1.5	6	300	6	3/4	1978
55-512286	5.0	35	430	6	3/4	2004
55-543032	1.5	20	100	6	1	1994

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
1.5	1		
2.0	2		
3.0	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
80	1	80	5
5,000	2	5,000	1
10,000	3		

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Utility Systems, LLC.

Name of System: Gardner Water

ADEQ Public Water System Number: 04-038

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-631406	3.5	30	100	8	1.5	1960
55-627384	2.0	30	325	6	1	1999

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
		3000	1
		2000	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Utility Systems, LLC.

Name of System: Christopher Creek Haven

ADEQ Public Water System Number: 04-005

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	Galvanized	5416
3	Galvanized	555
4	Galvanized	4050
5	0	0
6	0	0
8	0	0
10	0	0
12	0	0
2	PVC	390

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	172
3/4	0
1	0
1 1/2	0
2	0
Comp. 3	0
Turbo 3	0
Comp. 4	0
Turbo 4	0
Comp. 6	0
Turbo 6	0

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

4 – Liquid Chlorine Feed Pumps

3 – Filter Units

STRUCTURES:

4- Pump Sheds

4 – Small Plastic Well Head Sheds

1- Tool Shed

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Utility Systems, LLC.	
Name of System: Gardner Water	ADEQ Public Water System Number: 04-038

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS			CUSTOMER METERS	
Size (in inches)	Material	Length (in feet)	Size (in inches)	Quantity
2	poly	7946	5/8 X ¾	94
3	poly	3200	3/4	0
4	0	0	1	0
5	0	0	1 1/2	0
6	0	0	2	0
8	0	0	Comp. 3	0
10	0	0	Turbo 3	0
12	0	0	Comp. 4	0
1.5	poly	150	Turbo 4	0
			Comp. 6	0
			Turbo 6	0

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

STRUCTURES:
 2- Pump Sheds

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Utility Systems, LLC.	
Name of System: Christopher Creek Haven	ADEQ Public Water System Number: 04-005

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2008

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	172	237	261	0
FEBRUARY	172	148	167	0
MARCH	172	155	178	0
APRIL	172	273	319	0
MAY	172	409	480	0
JUNE	172	719	834	0
JULY	172	264	309	0
AUGUST	172	381	435	0
SEPTEMBER	172	205	240	0
OCTOBER	172	298	345	0
NOVEMBER	172	229	255	0
DECEMBER	172	96	111	0
TOTALS →		3418	3939	0

What is the level of arsenic for each well on your system? <0.001 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? N/A GPM for N/A hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
☒ (X) Yes ☐ () No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
☐ () Yes ☒ (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
☐ () Yes ☒ (X) No

If yes, provide the GPCPD amount: N/A

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Utility Systems, LLC.

Name of System: Gardner Water

ADEQ Public Water System Number: 04-038

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2008

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	94	52	57	0
FEBRUARY	94	82	91	0
MARCH	94	69	77	0
APRIL	94	88	100	0
MAY	94	134	154	0
JUNE	94	257	299	0
JULY	94	146	169	0
AUGUST	94	143	163	0
SEPTEMBER	94	62	69	0
OCTOBER	94	101	113	0
NOVEMBER	94	93	104	0
DECEMBER	94	42	47	0
TOTALS →		1274	1450	0

What is the level of arsenic for each well on your system? <0.0012 mg/l

(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? N/A GPM for N/A hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

() Yes (X) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (X) No

If yes, provide the GPCPD amount: N/A

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Utility Systems, LLC.	
Name of System: Gardner Water	ADEQ Public Water System Number: 04-038

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	0	0	0
FEBRUARY	0	0	0
MARCH	0	0	0
APRIL	0	0	0
MAY	0	0	0
JUNE	0	0	0
JULY	0	0	0
AUGUST	0	0	0
SEPTEMBER	0	0	0
OCTOBER	0	0	0
NOVEMBER	0	0	0
DECEMBER	0	0	0
TOTALS →	0	0	0

OTHER (description):

COMPANY NAME: Utility Systems, LLC.

Name of System: Christopher Creek Haven

ADEQ Public Water System Number: 04-005

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	0	0	0
FEBRUARY	0	0	0
MARCH	0	0	0
APRIL	0	0	0
MAY	0	0	0
JUNE	0	0	0
JULY	0	0	0
AUGUST	0	0	0
SEPTEMBER	0	0	0
OCTOBER	0	0	0
NOVEMBER	0	0	0
DECEMBER	0	0	0
TOTALS →	0	0	0

OTHER (description):

COMPANY NAME: Utility Systems, LLC.

YEAR ENDING 12/31/2008

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2008 was: **\$4,760.93**

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
Gila
NAME (OWNER OR OFFICIAL) TITLE
Jeff Daniels Member/Manager
COMPANY NAME
Utility Systems, LLC.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

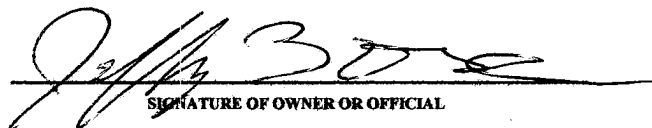
MONTH	DAY	YEAR
12	31	2008

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.


SIGNATURE OF OWNER OR OFFICIAL

(928) 478-0010

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

1st

DAY OF

COUNTY NAME	Gila
MONTH	September
YEAR	2009




SIGNATURE OF NOTARY PUBLIC

COMPANY NAME: Utility Systems, LLC.

YEAR ENDING 12/31/2008

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>0</u>
Estimated or Actual Federal Tax Liability	<u>0</u>

State Taxable Income Reported	<u>0</u>
Estimated or Actual State Tax Liability	<u>0</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>0</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

8-24-09
DATE

Jeffery T Daniels
PRINTED NAME

Member/Manager
TITLE

FILED
2009
Sept 14
Notary Public
Arizona

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
Gila
NAME (OWNER OR OFFICIAL) TITLE
Jeff Daniels Member/Manager
COMPANY NAME
Utility Systems, LLC.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2008

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2008 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$86,016.29

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$5,366.21
IN SALES TAXES BILLED, OR COLLECTED)**

****REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**

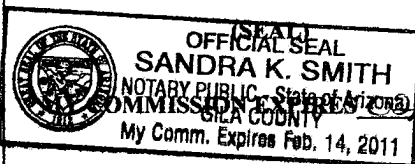

SIGNATURE OF OWNER OR OFFICIAL
(928) 478-0010
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 1st **DAY OF**

COUNTY NAME	Gila
MONTH	September
	2009




SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

Gila	
Jeff Daniels	Member/Manager
Utility Svstems, LLC	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2008

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

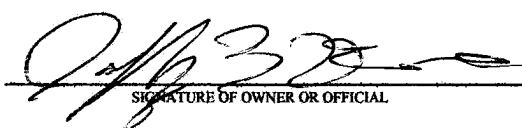
IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2008 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$86,016.29

**THE AMOUNT IN BOX AT LEFT
INCLUDES \$5,366.21
IN SALES TAXES BILLED, OR COLLECTED)**

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**


SIGNATURE OF OWNER OR OFFICIAL
(928) 478-0010
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

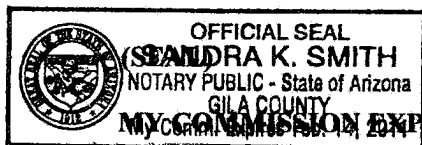
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

1st

DAY OF

NOTARY PUBLIC NAME Sandra K Smith	
COUNTY NAME Gila	
MONTH September	2009



x Sandra K Smith
SIGNATURE OF NOTARY PUBLIC

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R&T #	Account #	Sequence #	Draft #	Posted Date	Amount
322172496	701022909702	13078770	1045	12-22-2008	\$1389.17

UTILITY SYSTEMS LLC
HC 2 BOX 164H 928-478-0010
PAYSON, AZ 85541

1045
91-7248/3221
22

1/24
I 18.27
Dec 18 2008
Date

Pay to the Order of Gila County Treasurer \$1389.17

One thousand Three hundred Eighty Nine and 17/100 Dollars

STATE
104 East Highway 200
Payson, AZ 85541
azstate.org

For Prop Taxes For CCHU tax # 94-81-001 Jeff 30

⑆322172496⑆701022909702⑆1045⑆0000138917⑆

322184578 S=011
12222008 0013078770

DEC 19 08

60391

47

ATLANTIC CHASE
111901314 031-031-14

PAY TO THE ORDER OF
BANK ONE, ARIZONA, NA
PHOENIX, ARIZONA
12240024
FOR DEPOSIT ONLY
GILA COUNTY TREASURER
11804047

ShareDraftImage

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R&T #	Account #	Sequence #	Draft #	Posted Date	Amount
322172496	701022909702	13078780	1046	12-22-2008	\$900.20

UTILITY SYSTEMS LLC HC 2 BOX 164H 928-478-0010 PAYSON AZ 85541		1046 31-7249/3221 ZZ
Pay to the Order of <u>Gila County Treasurer</u>		<u>\$900.20</u>
<u>Nine hundred and 20/100</u>		Dollars
104 East Highway 200, Payson, AZ 85541 928-478-0010		SECURITY FEATURES: See back
For Prop taxes for land tax #941-40-511		941-40-511
3221724961701022909702 01046 000000900.20		60391 475024

ED 322184578 5-811
 12222088 8813078788

DEC 19 08

PAY TO THE ORDER OF
 BANK ONE, ARIZONA, NA
 PHOENIX, ARIZONA
 122100024
 FOR DEPOSIT ONLY
 GILA COUNTY TREASURER
 11804047

Close Window

R&T #	Account #	Sequence #	Draft #	Posted Date	Amount
322172496	701022909702	17755950	1020	09-02-2008	\$1574.98

UTILITY SYSTEMS LLC
HC 2 BOX 164H 928-478-0010
PAYSON, AZ 85541


2/36818
I. 79.75 8-27-8

1020
91-7249/3221
22

Date

Pay to the Order of Debora Savage Gila Co. Treasurer \$ 1574.98

One Thousand Five hundred seventy four and 98/100 Dollars

 **ARIZONA**
STATE
104 East Highway 200
Payson, AZ 85541
aztreasury.org

One State of Arizona tax Roll # 36818

For 2nd half 2007 taxes Jeff 302

⑆322172496⑆701022909702⑆ 01020 ⑆0000157498⑆

001322184578 S=011
09022008 0017755950

PAY TO THE ORDER OF
 BANK ONE, ARIZONA
 PHOENIX, ARIZONA
 122100021
 FOR DEPOSIT ONLY
 GILA COUNTY
 110040

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R&T #	Account #	Sequence #	Draft #	Posted Date	Amount
322172496	701022909702	17755960	1021	09-02-2008	\$896.58

UTILITY SYSTEMS LLC HC 2 BOX 164H 928-478-0010 PAYSON, AZ 85541		2/36834 I. 45.40 8-27-8	1021 91-7249/3221 22
Pay to the Order of <u>Debora Savage Gila Co. Treasurer</u>		\$ 896.58	Date
Eight hundred Ninety Six and $\frac{58}{100}$		Dollars	Security Features Debit on Back
Arizona STATE One State Of M...	104 East Highway 200 Payson, AZ 85541 azstate.org	Tax Roll # 36834	For <u>2nd half 2007</u>
⑆322172496⑆701022909702⑆01021⑆00000089658⑆			

⑆322184578⑆S=011
 09022008 0017755960

PAY TO THE ORDER OF
 BANK ONE, ARIZONA, NA
 PHOENIX, ARIZONA
 122100024
 FOR DEPOSIT ONLY
 GILA COUNTY TREASURER
 11804047

JP MORGAN CHASE BANK, NA
 FORT WORTH, TX 76102
 5110010314 035 3312 14